

IC 27-8-15

Chapter 15. Small Employer Group Health Insurance

IC 27-8-15-1

Application of chapter

Sec. 1. This chapter applies to any individual or group health insurance plan that is issued for delivery in Indiana to at least three (3) employees of a small employer located in Indiana if one (1) of the following conditions is met:

(1) Any part of the premium or benefits is paid by a small employer or any covered individual is reimbursed, whether through wage adjustments or otherwise, by a small employer for any part of the premium not including the administrative expenses of administering a payroll deduction plan where the employee contributes one hundred percent (100%) of the premium without reimbursement.

(2) The health benefit plan is treated by the employer or any of the covered individuals as part of a plan or program for purposes of Section 106 or 162 of the United States Internal Revenue Code.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-2

Individual health insurance provisions; application

Sec. 2. The provisions of IC 27-8-5 concerning individual insurance contracts do not apply to individual health insurance policies that are subject to this chapter.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-3

"Actuarial certification" defined

Sec. 3. As used in this chapter, "actuarial certification" means a written statement by a member of the American Academy of Actuaries that a small employer insurer is in compliance with section 16 of this chapter, based upon the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the insurer in establishing premium rates for applicable health insurance plans.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-4

"Base premium rate" defined

Sec. 4. As used in this chapter, "base premium rate" means the lowest premium rate charged or that could have been charged under a rating system by the small employer insurer to small employers with similar case characteristics and benefit design characteristics.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-5

"Benefit design characteristics" defined

Sec. 5. As used in this chapter, "benefit design characteristics" means the following:

- (1) Covered services.
- (2) Cost sharing.
- (3) Utilization management.
- (4) Managed care networks.
- (5) Any other features differentiating plan or benefit design.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-6

"Case characteristics" defined

Sec. 6. As used in this chapter, "case characteristics" means demographic or other relevant characteristics of a small employer, as determined by a small employer insurer, that are considered by the insurer in the determination of premium rates for the small employer. Claim experience, health status, and duration of coverage since issue are not case characteristics.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-7

"Commissioner" defined

Sec. 7. As used in this chapter, "commissioner" refers to the commissioner of the department of insurance.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-8

"Department" defined

Sec. 8. As used in this chapter, "department" refers to the department of insurance.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-8.5

"Eligible employee" defined

Sec. 8.5. (a) As used in this chapter, "eligible employee" means an employee:

- (1) who is employed to work at least thirty (30) hours each week. The term includes:

- (A) a sole proprietor; and

- (B) a partner in a partnership;

if the sole proprietor or partner is included as an employee under a health insurance plan of a small employer; and

- (2) who meets an applicable waiting period required by a small employer before gaining coverage under a health insurance policy.

(b) The term does not include:

- (1) an employee who works on a temporary or substitute basis;
or

- (2) a seasonal employee.

As added by P.L.93-1995, SEC.10.

IC 27-8-15-9**"Health insurance plan" defined**

Sec. 9. (a) Except as provided in section 28 of this chapter, as used in this chapter, "health insurance plan" or "plan" means any:

- (1) hospital or medical expense incurred policy or certificate;
- (2) hospital or medical service plan contract; or
- (3) health maintenance organization subscriber contract;

provided to the employees of a small employer.

(b) The term does not include the following:

- (1) Accident-only, credit, dental, vision, Medicare supplement, long term care, or disability income insurance.
- (2) Coverage issued as a supplement to liability insurance.
- (3) Worker's compensation or similar insurance.
- (4) Automobile medical payment insurance.
- (5) A specified disease policy issued as an individual policy.
- (6) A limited benefit health insurance policy issued as an individual policy.
- (7) A short term insurance plan that:
 - (A) may not be renewed; and
 - (B) has a duration of not more than six (6) months.
- (8) A policy that provides a stipulated daily, weekly, or monthly payment to an insured during hospital confinement, without regard to the actual expense of the confinement.

As added by P.L.127-1992, SEC.1. Amended by P.L.93-1995, SEC.11.

IC 27-8-15-10**"Insurer" defined**

Sec. 10. As used in this chapter, "insurer" means any person who provides health insurance in Indiana. The term includes the following:

- (1) A licensed insurance company.
- (2) A prepaid hospital or medical service plan.
- (3) A health maintenance organization.
- (4) A multiple employer welfare arrangement.
- (5) Any person providing a plan of health insurance subject to state insurance law.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-10.5**"Late enrollee" defined**

Sec. 10.5. (a) As used in this chapter, "late enrollee" means an eligible employee or a dependent of an eligible employee who did not request enrollment in a health insurance plan of a small employer during the initial enrollment period during which the individual was entitled to enroll under the health insurance plan.

(b) The term "late enrollee" does not include an eligible employee or the dependent of an eligible employee:

- (1) who was covered under a health insurance plan or had health insurance coverage at the time coverage was previously

offered to the employee or to the dependent of the employee;
(2) who stated in writing at the time coverage was offered that coverage under another health insurance plan was the reason for declining the enrollment, but only if the insurer required such a statement at the time and provided the employee with notice of the requirement (and the consequences of the requirement) at the time;

(3) whose coverage under this subsection:

(A) was under a COBRA continuation provision and the coverage under the provision was exhausted; or

(B) was not under a COBRA continuation provision and either the coverage was terminated as a result of loss of eligibility for the coverage (including as a result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment) or employer contributions toward the coverage were terminated; and

(4) who requests enrollment under the terms of the plan not later than thirty (30) days after the date of exhaustion of coverage as described in subdivision (3)(A) or the termination of coverage or employer contributions as described in subdivision (3)(B).

(c) The term "late enrollee" does not include an eligible employee who is employed by a small employer that offers multiple health insurance plans and who elects a different plan during an open enrollment period.

(d) The term "late enrollee" does not include an eligible employee or the eligible employee's spouse or minor or dependent child where:

(1) a court has ordered that health insurance coverage be provided for the spouse or minor or dependent child of an eligible employee under the eligible employee's insurance plan; and

(2) the request for enrollment is made not more than thirty (30) days after the issuance of the court order.

As added by P.L.93-1995, SEC.12. Amended by P.L.190-1996, SEC.3; P.L.91-1998, SEC.15.

IC 27-8-15-11

"Midpoint rate" defined

Sec. 11. As used in this chapter, "midpoint rate" means for small employers with similar case and benefit design characteristics the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-12

"New business premium rate" defined

Sec. 12. As used in this chapter, "new business premium rate" means the premium rate charged or offered by the small employer insurer to small employers with similar case characteristics and

benefit design characteristics for newly issued health insurance plans.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-13

"Rating period" defined

Sec. 13. As used in this chapter, "rating period" means the calendar period for which premium rates established by a small employer insurer are assumed to be in effect, as determined by the small employer insurer.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-14

"Small employer" defined

Sec. 14. As used in this chapter, "small employer" means any person, firm, corporation, limited liability company, partnership, or association actively engaged in business who, on at least fifty percent (50%) of the working days of the employer during the preceding calendar year, employed at least two (2) but not more than fifty (50) eligible employees, the majority of whom work in Indiana. In determining the number of eligible employees, companies that are affiliated companies or that are eligible to file a combined tax return for purposes of state taxation are considered one (1) employer.

As added by P.L.127-1992, SEC.1. Amended by P.L.8-1993, SEC.432; P.L.93-1995, SEC.13; P.L.190-1996, SEC.4; P.L.91-1998, SEC.16.

IC 27-8-15-15

"Small employer insurer" defined

Sec. 15. As used in this chapter, "small employer insurer" means any insurer that offers a health insurance plan covering the employees of a small employer.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-16

Premium rates

Sec. 16. Premium rates for a health insurance plan are subject to the following:

(1) For all small employer business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar benefit design characteristics, or the rates that could be charged to small employers under the rating system may not vary from the midpoint rate by more than thirty-five percent (35%) above or below the midpoint rate.

(2) The percentage increase in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

(A) The percentage change in the new business premium rate for a plan with the same or similar benefit design

characteristics measured from the first day of the prior rating period to the first day of the new rating period. For a plan for which the small employer insurer is not issuing new policies, the insurer shall use the percentage change in the base premium rate.

(B) An adjustment, not to exceed fifteen percent (15%) annually and adjusted pro rata for rating periods of less than one (1) year, due to the claim experience, health status, or duration of coverage of the employees or dependents of the small employer.

(C) Any adjustment due to change in benefit design characteristics or change in the case characteristics of the small employer.

(3) For health insurance plans issued before July 1, 1992, a premium rate for a rating period may exceed the ranges described in subdivisions (1) and (2) for five (5) years following July 1, 1992. The percentage increase in the premium rate charged to a small employer in such a class of business for a new rating period may not exceed the sum of the following:

(A) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. For a plan for which the small employer insurer is not issuing new policies, the insurer shall use the percentage change in the base premium rate.

(B) Any adjustment due to change in benefit design characteristics or change in the case characteristics of the small employer.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-17

Rating factors

Sec. 17. (a) This chapter is not intended to affect the use by a small employer insurer of legitimate rating factors other than claim experience, health status, or duration of coverage in the determination of premium rates.

(b) A small employer insurer shall apply rating factors, including case characteristics, consistently with respect to all small employers in a plan with substantially the same benefit design characteristics.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-18

Offer to transfer

Sec. 18. A small employer insurer may not offer to transfer a small employer into or out of a plan with substantially the same benefit design unless the offer is made to transfer all small employers in that plan without regard to case characteristics, claim experience, health status, or duration since issue.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-19

Cancellation or refusal of renewal of plans

Sec. 19. Except as provided in section 20 of this chapter, a small employer insurer may only cancel or refuse to renew a health insurance plan for the following reasons:

- (1) Nonpayment of required premiums.
- (2) Fraud or misrepresentation of the small employer, or with respect to coverage of an insured individual, fraud or misrepresentation by the insured individual or the individual's representative.
- (3) The small employer has failed to comply with a material plan provision relating to employer contribution or group participation rules.
- (4) In the case of a small employer insurer that offers coverage in a market through a network plan, there is no longer any insured individual in connection with the plan who lives, resides, or works:
 - (A) in the service area of the small employer insurer; or
 - (B) in the area for which the issuer is authorized to do business.
- (5) In the case of coverage that is made available through one (1) or more bona fide associations, the membership of the small employer in the association ceases, but only if the coverage is terminated under this subdivision uniformly without regard to any health status related factor relating to an insured individual.
- (6) In a case in which an insurer decides to discontinue offering a particular type of group health insurance coverage offered in the small employer market, that coverage may be discontinued by the insurer only if:
 - (A) the insurer provides notice of the insurer's intent to discontinue the coverage to each small employer provided with the coverage;
 - (B) the insurer offers the option to purchase all other health insurance coverage currently being offered by the insurer to the small employer to each small employer that is provided with the coverage; and
 - (C) in exercising the option to discontinue the coverage in offering the option of coverage under clause (B), the insurer acts uniformly without regard to:
 - (i) the claims experience of the small employer groups; or
 - (ii) any health status related factor relating to any eligible employee or dependent of an eligible employee who is covered or who may become eligible for the coverage.

As added by P.L.127-1992, SEC.1. Amended by P.L.93-1995, SEC.14; P.L.91-1998, SEC.17.

IC 27-8-15-20

Renewal cessation; notice

Sec. 20. (a) A small employer insurer may cease to renew all small employer plans.

(b) The insurer shall provide notice to all affected health insurance plans and to the commissioner at least one (1) year before termination of coverage unless the coverage is placed with another insurer.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-21

Renewal cessation; prohibitions

Sec. 21. (a) An insurer who ceases to renew all small employer plans may not do the following:

(1) Accept any new small employer business for five (5) years after the notice of nonrenewal of the plans.

(2) Transfer or otherwise provide coverage to any of the employers from the nonrenewed class of business unless the insurer offers to transfer or provide coverage to all affected employers and eligible employees and dependents without regard to case characteristics, claim experience, health status, or duration of coverage.

(b) The commissioner may suspend the penalty under subsection (a)(1) upon a finding by the commissioner that the suspension would enhance the efficiency and fairness of the marketplace for small employer health insurance.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-22

Disclosure of premium rate changes

Sec. 22. Each small employer insurer shall make reasonable disclosure in solicitation and sales materials provided to small employers of the provisions affecting premium rate changes.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-23

Maintenance of rating and renewal practice information and documentation

Sec. 23. Each small employer insurer shall maintain for three (3) years at the insurer's principal place of business a complete and detailed description of the insurer's rating practices and renewal underwriting practices, including information and documentation that demonstrate that the insurer's rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-24

Maintenance of actuarial certification; submission to department

Sec. 24. (a) Each small employer insurer shall maintain an actuarial certification verifying that the insurer is in compliance with this chapter and that the rating methods of the insurer are actuarially sound. A copy of the certification shall be retained by the insurer at the insurer's principal place of business for three (3) years.

(b) Before March 1 of each year, each small employer insurer shall submit to the department a copy of the actuarial certification maintained under subsection (a).

As added by P.L.127-1992, SEC.1. Amended by P.L.190-1996, SEC.5.

IC 27-8-15-25

Availability of information and documentation to commissioner; disclosure by commissioner

Sec. 25. A small employer insurer shall make the information and documentation described in section 23 of this chapter available to the commissioner upon request. The information is proprietary and trade secret information and is not subject to disclosure by the commissioner to a person outside of the department except as agreed to by the insurer or as ordered by a court with jurisdiction.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-26

Suspension of premium rate provisions

Sec. 26. The commissioner may suspend all or any part of section 16 of this chapter as to the premium rates applicable to one (1) small employer for at least one (1) rating period upon a filing by the small employer insurer and a finding by the commissioner that either:

- (1) the suspension is reasonable in light of the financial condition of the insurer; or
- (2) the suspension would enhance the efficiency and fairness of the marketplace for small employer health insurance.

As added by P.L.127-1992, SEC.1.

IC 27-8-15-27

Compliance

Sec. 27. A health insurance plan provided by a small employer insurer to a small employer must comply with the following:

- (1) The benefits provided by a plan to an eligible employee enrolled in the plan may not be excluded, limited, or denied for more than nine (9) months after the effective date of the coverage because of a preexisting condition of the eligible employee, the eligible employee's spouse, or the eligible employee's dependent.
- (2) The plan may not define a preexisting condition, rider, or endorsement more restrictively than as a condition for which medical advice, diagnosis, care, or treatment was recommended or received during the six (6) months immediately preceding the effective date of enrollment in the plan.

As added by P.L.93-1995, SEC.15. Amended by P.L.91-1998, SEC.18.

IC 27-8-15-28

Waiver of exclusion and limitation period

Sec. 28. (a) As used in this section, "health insurance plan" means

coverage provided under any of the following:

- (1) A hospital or medical expense incurred policy or certificate.
- (2) A hospital or medical service plan contract.
- (3) A health maintenance organization subscriber contract.
- (4) Medicare or Medicaid.
- (5) An employer based health insurance arrangement.
- (6) An individual health insurance policy.
- (7) A policy issued by the Indiana comprehensive health insurance association under IC 27-8-10.
- (8) An employee welfare benefit plan (as defined in 29 U.S.C. 1002) that is self-funded.
- (9) A conversion policy issued under section 31 or 31.1 of this chapter.

(b) Except as provided in section 29 of this chapter, a small employer insurer shall waive the exclusion period described in section 27 of this chapter applicable to a preexisting condition or the limitation period with respect to a particular service in a health insurance plan for the time an eligible employee or a dependent of an eligible employee was previously covered by a health insurance plan if the following conditions are met:

- (1) The eligible employee or a dependent of the eligible employee was previously covered by a health insurance plan that provided benefits with respect to the particular service.
- (2) Coverage under the health insurance plan was continuous to a date not more than sixty-three (63) days before the effective date of enrollment by:
 - (A) the eligible employee; or
 - (B) a dependent of the eligible employee.

(c) In determining whether an eligible employee or a dependent of the eligible employee meets the requirements of subsection (b)(2), a waiting period imposed by a small employer insurer or small employer before new coverage may become effective must be excluded from the calculation.

(d) This section does not preclude the application of any waiting period applicable to all new enrollees under a plan.

As added by P.L.93-1995, SEC.16. Amended by P.L.190-1996, SEC.6; P.L.91-1998, SEC.19.

IC 27-8-15-29

Exclusion of coverage

Sec. 29. (a) A plan may exclude coverage for a late enrollee or the late enrollee's covered spouse or dependent for not more than fifteen (15) months.

(b) If a late enrollee or the late enrollee's covered spouse or dependent has a preexisting condition, a plan may exclude coverage for the preexisting condition for not more than fifteen (15) months.

(c) If a period of exclusion from coverage under subsection (a) and a preexisting condition exclusion under subsection (b) are applicable to the late enrollee, the combined period of exclusion may not exceed fifteen (15) months from the date that the eligible

employee enrolls for coverage under the health insurance plan.
As added by P.L.93-1995, SEC.17.

IC 27-8-15-30

Plan modifications prohibited

Sec. 30. Except as permitted under sections 27 and 29 of this chapter, a small employer insurer shall not modify a health insurance plan with respect to:

- (1) a small employer; or
- (2) an eligible employee or dependent;

through riders, endorsements, or otherwise to restrict or exclude coverage or benefits for specific diseases, medical conditions, or services otherwise covered by the plan.

As added by P.L.93-1995, SEC.18.

IC 27-8-15-31

Conversion

Sec. 31. (a) If an eligible employee who has been continuously covered under a health insurance plan for at least ninety (90) days:

- (1) loses coverage under the plan as the result of:
 - (A) termination of employment;
 - (B) reduction of hours;
 - (C) marriage dissolution; or
 - (D) attainment of any age specified in the plan; and
- (2) requests a conversion policy from the small employer insurer that insured the health insurance plan;

the individual is entitled to receive a conversion policy from the small employer insurer.

(b) A request under subsection (a)(2) must be made within thirty (30) days after the individual loses coverage under the health insurance plan.

(c) The premium for a conversion policy issued under this section shall not exceed one hundred fifty percent (150%) of the rate that would have been charged under the small employer health insurance plan with respect to the individual if the individual had been covered as an eligible employee under the plan during the same period. If the health insurance plan under which the individual was covered is canceled or is not renewed, the rates shall be based on the rate that would have been charged with respect to the individual if the plan had continued in force, as determined by the small employer insurer in accordance with standard actuarial principles.

(d) A conversion policy issued under this section must be approved by the insurance commissioner as described in IC 27-8-5-1. The commissioner may not approve a conversion policy unless the policy and its benefits are:

- (1) comparable to those required under IC 27-13-1-4(a)(2) through IC 27-13-1-4(a)(5);
- (2) reasonable in relation to the premium charged; and
- (3) in compliance with IC 27-8-6-1.

If the benefit limits of the conversion policy are not more than the

benefit limits of the small employer's health insurance plan, the small employer insurer shall credit the individual with any waiting period, deductible, or coinsurance credited to the individual under the small employer's health insurance plan.

(e) This section expires on the effective date of a mechanism enacted by the general assembly to offset the potential fiscal impact on small employers and small employer insurers that results from the establishment of a continuation policy under section 31.1 of this chapter.

As added by P.L.93-1995, SEC.19.

IC 27-8-15-31.1

Continuing coverage

Sec. 31.1. (a) This section becomes effective on the effective date of a mechanism enacted by the general assembly to offset the potential fiscal impact on small employers and small employer insurers that results from the establishment of a continuation policy under this section. This section does not apply to an individual who is eligible for coverage under a group health plan (as defined in 29 U.S.C. 1167).

(b) If an eligible employee who has been employed by the same small employer for at least one (1) year and continuously covered under a health insurance plan for at least ninety (90) days, or a dependent of such eligible employee:

(1) loses coverage under the plan as the result of:

(A) termination of the eligible employee's employment;

(B) reduction of the eligible employee's hours;

(C) dissolution of marriage; or

(D) attainment of any age specified in the plan; and

(2) requests continuing coverage from the small employer insurer that insured the health insurance plan;

the individual and any dependents of the individual are entitled to receive continuing coverage from the small employer insurer.

(c) A small employer shall notify an individual of the individual's possible right to continuing coverage under subsection (b) by presenting notice to the individual in writing within ten (10) days after the individual becomes an eligible employee. The notice must be presented directly to the eligible employee and must include:

(1) the conditions under which the eligible employee may qualify for continuing coverage;

(2) the name, address, and telephone number of the small employer insurer providing insurance to the small employer; and

(3) a statement that emphasizes the eligible employee's responsibility to contact the small employer insurer that insures the small employer at the time the eligible employee qualifies for continuing coverage under this section within thirty (30) days after becoming eligible for continuing coverage.

(d) An individual who wishes to receive continuing coverage must request continuing coverage from the small employer insurer in

writing within thirty (30) days after losing coverage under subsection (b)(1).

(e) An individual electing continuing coverage must pay to the employer, in advance of the date the employer is required to make payments for insurance, but not more than one (1) time each month, the total premium amount required for continuing coverage.

(f) An individual who fails to:

(1) provide notice to a small employer insurer under subsection (d); or

(2) timely pay the premium as described in subsection (e);
relieves the employer and the small employer insurer of any responsibility to the individual for continuing coverage.

(g) A notification of the continuation privilege must accompany or be included in each certificate of coverage.

(h) Continuing coverage shall not be available to an individual who was discharged because the individual committed a felony or theft in connection with the individual's work, provided that:

(1) the individual admits participating in the felony or theft;

(2) the discharge is upheld through binding arbitration; or

(3) the act resulted in a conviction or an order of or supervision by a court.

(i) The premium for continuing coverage referred to in subsection (b) for any given period shall not exceed one hundred two percent (102%) of the rate that would have been charged under the health insurance plan with respect to the individual if the individual had been covered as an eligible employee under the plan during the same period. If the health insurance plan under which the individual was covered is canceled or is not renewed, the individual may apply for a conversion policy under this section.

(j) Benefits provided under the continuing coverage referred to in subsection (b) may not be less than the benefits provided under the health insurance plan. If the plan limits of the continuing coverage are not greater than the plan limits of the health insurance plan, the small employer insurer shall credit the insured with any waiting period, deductible, and coinsurance to the extent that the waiting period, deductible, or coinsurance was credited to the individual under the health insurance plan.

(k) Continuing coverage provided under this section may not last longer than twelve (12) months. If a small employer changes the health insurance plan during the time that continuing coverage is provided to an individual under this section, the small employer shall notify the individual in writing within thirty (30) days of the change, and the individual is entitled to apply for a conversion policy under this section within thirty (30) days of receiving the notice.

(l) A small employer insurer who provides continuing coverage under this section may not refuse to accept for coverage under a conversion policy any individual who remained continuously covered under this section if the individual can prove that:

(1) the individual is entitled to and has exhausted the benefits available under continuing coverage or the health insurance

plan under which the individual was covered is canceled or is not renewed under the provisions of section 19 of this chapter;
(2) the continuing coverage was continuous to a date not more than thirty (30) days before the effective date of the coverage the individual is applying for under this subsection; and
(3) the individual is not eligible for coverage under any other employer health insurance plan.

The premium for a conversion policy issued under this subsection shall not exceed one hundred thirty-five percent (135%) of the rate that would have been charged under the health insurance plan with respect to the individual if the individual had been covered as an eligible employee under the plan during the same period. If the health insurance plan under which the individual was covered is canceled or is not renewed, the rate shall be based on the rate that would have been charged with respect to the individual if the plan had continued in force, as determined by the small employer insurer in accordance with standard actuarial principles.

As added by P.L.93-1995, SEC.20.

IC 27-8-15-32

Employees becoming eligible after employer's commencement of health insurance plan entitled to coverage

Sec. 32. (a) If an individual:

- (1) becomes an eligible employee of a small employer after the date that a small employer insurer first insures an eligible employee of the small employer under a health insurance plan; and
- (2) is not a late enrollee;

the individual and all dependents of the individual are entitled to coverage under section 33 of this chapter, subject to the provisions of sections 27 and 28 of this chapter.

As added by P.L.93-1995, SEC.21.

IC 27-8-15-33

Mandatory coverage by employer insurer to all employer's eligible employees and employees' dependents; employees declining coverage; minimum participation and contribution requirements

Sec. 33. (a) If a small employer insurer offers coverage under a health insurance plan to a small employer, the small employer insurer shall provide the employer coverage under the plan for:

- (1) all eligible employees of the small employer; and
- (2) the dependents of all eligible employees of the small employer.

(b) Except as provided in section 29 of this chapter with respect to late enrollees, a small employer insurer shall not limit the insurer's provision of coverage to:

- (1) certain individuals in a small employer group; or
- (2) a part of a small employer group.

(c) This section does not prohibit an eligible employee from declining coverage under this section.

(d) Nothing in this chapter prohibits a small employer insurer from including minimum participation and contribution requirements in its offer of coverage.

As added by P.L.93-1995, SEC.22.

IC 27-8-15-34 Repealed

(Repealed by P.L.91-1998, SEC.24.)

IC 27-8-15-34.1

All products required to be offered; all employers required to be accepted

Sec. 34.1. Except as provided in 29 U.S.C. 1191a and 42 U.S.C. 300gg, a small employer insurer must:

(1) offer to any small employer all products that are approved for sale in the small group market and that the insurer is actively marketing; and

(2) accept any employer that applies for any of those products.

As added by P.L.91-1998, SEC.20.